

Departmental Management

Mission Statement

The Department of Commerce promotes job creation and improved living standards for all Americans by creating an infrastructure that supports economic growth, technological competitiveness, and sustainable development.

The offices falling under Departmental Management (DM) provide policy direction and oversight and administrative services to Department of Commerce bureaus. In this capacity, DM offices help ensure that administrative functions, such as managing financial resources, information technology systems, procurement and financial assistance programs, human resources, and facilities operations, operate efficiently and uniformly across organization lines. Therefore our clients are by and large our bureaus, and our success in this effort enables them to devote as many of their resources as possible to serving the American public through their programmatic activities.

The Department of Commerce has modified the structure of the DM plan to reflect the priorities established in the President's Management Agenda. The agenda includes five government-wide management initiatives intended to foster reform and provide a common basis for ensuring accountability among all federal agencies. These include (1) strategic management of human capital, (2) competitive sourcing, (3) improved financial performance, (4) expanded electronic government, and (5) budget and performance integration.

The Department of Commerce will strive to ensure that its programs are citizen-centered, results-oriented, and market-based. As the Department of Commerce reviews and assesses its activities in an effort to achieve that objective, enhancements will be made to performance of policy oversight and administrative support services carried out under DM.

Strategic Management of Human Capital

The world of federal employment faces significant challenges:

- Overall workforce projections show that more than half of the federal workforce will be eligible for retirement within the next five years. To respond to this extraordinary surge in prospective retirements, the Department must take extra steps to ensure that it retains vital knowledge, skills, and management capabilities.
- The Department of Commerce faces continually increasing difficulty in attracting and retaining highly qualified workers in specific fields, such as information technology and selected scientific disciplines. To counter this trend the Department must identify innovations in human resources management that allow it to implement pay differentials that reflect labor market realities so it may compete for our nation's best talent.
- Existing laws and regulations allow managers limited flexibility for rewarding excellence and providing consequences for mediocre performance. The Department of Commerce must seek fair and equitable means for providing its workforce with appropriate incentives to continually do its best.
- As we move forward into the 21st century, the Department's mission is evolving. The Department of Commerce must plan for and acquire the proper mix of skills to respond to those changes.

- Responsiveness to citizens underlies all of our efforts. The Commerce Department is seeking ways to strengthen interaction with the public by increasing the percentage of employees who provide front-line service delivery, reducing the proportion of its workforce in managerial positions, eliminating unnecessary organizational layers, and increasing the span of decision-making control exercised by managers.

Recent efforts toward meeting these challenges:

The Department brought together its component bureaus to develop a common approach to analyze workforce needs, plan recruitment and outreach efforts, and modify how human resource professionals integrate policies and services.

The Department recently completed a comprehensive workforce analysis and will complete its workforce restructuring plan in March 2002. The Department has made significant advances in automating its hiring system and reducing the time needed to advertise and fill vacancies. Commerce has also broadened its outreach effort to expand the pool of potential job applicants to ensure that its workforce has the skills and competencies needed to carry out mission-critical activities over the long term.

Competitive Sourcing

A major ongoing challenge is to create an environment in which the federal government can realize cost savings through increased competition.

- Historical data suggest that cost savings in the range of 20% to 50% can be achieved when federal and private sector service providers compete. The Department of Commerce must open competition for performing activities that can readily be carried out by private firms, such as data collection, administrative support, and payroll services.
- Competition is inhibited by limited awareness in the private sector of opportunities that are available to provide services. The Department must develop a consolidated approach to publicize these opportunities.
- New opportunities for competition continually arise as a result of gradual changes in program responsibilities and in private sector capabilities. Using the tools provided by the Federal Activities Inventory Reform Act, the Department of Commerce will conduct conversion competitions, that is, it will assess the appropriateness and cost-effectiveness of replacing federal performance of functions with private sector performance.

Recent efforts toward meeting these challenges:

- The Department has increased its reliance on contractors to provide goods and services worth more than \$1 billion annually, about one-quarter to one-third of its overall budget.
- Commerce has expanded its use of performance-based contracting to ensure that the most productive bidders are selected.
- The Department has automated its procurement processes, made greater use of credit cards for acquisitions under \$25,000, and increased training for its contracting staff. As a result, Commerce has increased its efficiency in acquiring needed goods and services.
- Commerce has implemented acquisition partnering among its administrative offices, including the Offices of Budget and Acquisition Management and its program offices. These partnerships have significantly reduced the time needed to carry out activities and improved customer satisfaction.
- The Department is undertaking its outsourcing activities in concert with the workforce restructuring initiative in order to determine how it may carry out its programmatic and administrative responsibilities as effectively and efficiently as possible.

Improved Financial Performance

Accurate and timely financial information is integral to optimum performance and accountability.

- The Commerce Department must continue to produce clean audits to support effective management.
- Accurate and timely information supports the Department's performance and is inherent in providing accountability to the American people. Commerce will continue to reduce the number of deficiencies that could affect the Department's ability to reliably record, process, or report financial data.
- Providing timely and accurate financial information to bureau executives is central to achieving optimal program management and performance.

Recent efforts toward meeting these challenges:

- The Department of Commerce earned its first unqualified audit opinion on the FY 1999 consolidated statement. The FY 2000 consolidated statement also earned an unqualified opinion.
- The Department has been correcting both reportable conditions and internal control weaknesses so that it may continue to ensure the integrity of its financial data.
- Commerce will continue to implement a financial management system that will integrate financial data throughout the Department, which will ensure fiscal accountability, and provide program managers with the timely, accurate financial data needed for sound decision-making. This undertaking will be completed by October 2003.

Expanded Electronic Government

Expanded electronic government is key to fostering citizen-centered government with a greater volume of service at lower cost.

The Department of Commerce will spend almost \$1 billion on information technology (IT) in FY 2002. Commerce must ensure that this investment is wisely used to:

- Safeguard the security and integrity of Commerce Department IT systems
- Dissolve organizational divisions and increase productivity through virtual consolidation and collaboration on many diverse functions such as payroll processing
- Implement applications to address common requirements such as e-grants, e-regulation, and e-signatures
- Provide citizen-centered service by creating easy-to-find single points of access to Commerce programs, including a government-wide e-procurement portal
- Reduce reporting burdens on the public by sharing information between federal agencies and state, local, and tribal governments
- Increase the ease of electronic access for persons with disabilities
- Increase the transparency of Commerce programs and operations
- Re-emphasize the importance of customer satisfaction so that service delivery compares favorably with state-of-the-art providers located elsewhere in government and the private sector.

Recent efforts toward meeting these challenges:

- The Department is strengthening its security protections and increasing security training to improve protection against intrusion and cyber-terrorism.
- Commerce expanded its publicly available, web-based information services.

- The Department is continuing to create the web-based links--both within the Commerce Department and with other agencies--needed to facilitate access to related services.

Budget and Performance Integration

Results offer the most persuasive accounting of our use of taxpayer monies. Challenges in assessing program performance in relation to budget resources include:

- Improving the way that the Department's programs are assessed, the integration of financial and budget information, and how it can best report program performance.
- Ensuring accountability at the highest levels of the organization, including bureau heads.
- Integrating analysis, presentation, and execution of budget and performance efforts throughout the Department of Commerce.

Recent efforts toward meeting these challenges:

- Senior management has taken a hands-on approach to reassessing how the Department measures program performance and has engaged bureau heads to ensure that consistent efforts are applied to this effort.
- Senior management has also asked bureau heads to re-examine program performance goals and measures to create performance plans that are useful to program managers and that in turn lead to high levels of achievement and measurable improvements.
- The Department has improved its system for assessing and communicating performance results in conjunction with budget resources. This is evident in the bureau resource tables found throughout this report/plan and in detailed resource and performance goal exhibits found in each bureau's detailed budget justification documents.

Challenges Specific to the Department of Commerce

The Department works with its bureaus to ensure that their major management challenges receive the attention and resources necessary for their effective resolution. The following list provides highlights of some of our recent cooperative efforts.

Effective Conclusion of the 2000 Decennial Census

Results of the decennial censuses are used to apportion seats in the U.S. House of Representatives and allocate federal funds to support our Nation's major social programs. The Department worked closely with the Census Bureau and other federal agencies to ensure that the planning, logistics, and execution of the 2000 Decennial Census--our Nation's largest peacetime mobilization--were carried out in as productive and cost-effective a manner as possible. As a result of these efforts, we succeeded in reversing a three-decade long decline in response rates and in producing a population count that was so accurate that statistical adjustments were unnecessary. The numbers are now being used in a wide variety of ways by federal, state, local, and tribal agencies; businesses; academia; and individuals. We will employ a similar collaborative approach as planning for the 2010 decennial census commences.

Enhancing Export Controls for Dual-Use Commodities

We work cooperatively with many other federal agencies to control the export of dual-use commodities, that is, goods that can serve both peaceful and military purposes. These controls help ensure the safety of the life and property of U.S. citizens and those of citizens of many nations around the world. Exports that support our economy and our competitiveness in the world marketplace are, however, affected as a consequence of this effort. To help achieve a balance, we have been seeking

statutory authority that would recognize global changes; the most important being that we no longer dominate world markets and that the nature of threats has changed in recent years. We have (1) increased the transparency of our commodity classification and appeals processes, (2) expanded intelligence community review and analysis of dual-use exports, and (3) begun screening license applications against a U.S. Customs Service database.

Ensuring the Global Competitiveness of U.S. Companies

The performance of U.S. companies is among the best in the world, and the value of their exports has been a major catalyst in this Nation's strong economic performance. We have ensured that U.S. companies compete fairly in the world marketplace by (1) comparing U.S. and foreign country strategies to enhance technology trade; (2) preparing effective responses to anticipated barriers in the trade of critical technologies; (3) supporting state, regional, and local efforts to develop technology-led trade; (4) advocating policies that maximize technology commercialization; and (5) supporting policies that advance U.S. interests in workforce supply and demand, e-commerce, and the development of critical infrastructure platforms.

Ensuring Transition of the U.S. Patent and Trademark Office (USPTO) to a Performance-Based Organization

Under authority of the American Inventors Protection Act of 1999, the USPTO has been making the transition to a performance-based organization. With the aim of increasing overall efficiency and effectiveness, USPTO has greatly increased independence in control over and responsibility for all operational activity and many policy matters. USPTO faces four additional complications: (1) a massive increase in patent and trademark filings and appeals; (2) construction of a new, consolidated office complex; (3) need to significantly increase essential IT capabilities, and (4) prospective loss of key talent in the face of an anticipated surge of federal retirements. The Department continues to support USPTO in meeting these challenges.

Increasing the Effectiveness of Fishery Management

Ensuring healthy stocks of fish and other marine animals in coastal waters beyond each state's jurisdiction is a federal responsibility administered by the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA). Management of various species is often controversial because it often requires establishing catch quotas and other limitations that may adversely impact near-term economic interests in the fishing industry. We have supported NOAA in (1) strengthening collaboration among all affected parties, (2) completing detailed recovery plans, (3) improving criteria to assess recovery, and (4) accurately estimating the time and securing the funds needed for recovery.

Successfully Implement Acquisition Reform Initiatives

Acquisition reform legislation has attempted to ease the administration burden associated with traditional procurement processes. Commerce, which spends approximately \$1 billion annually through contracts and other procurement vehicles, is working to balance the desire to streamline these processes with the need to maintain adequate controls over taxpayer dollars. To that end, Commerce is taking steps to ensure the successful implementation of acquisition reform initiatives. These include emphasizing career development for employees involved in procurement; launching a comprehensive risk management plan to continually monitor and measure the effectiveness of acquisition reform; automating the Department's procurement process; and integrating oversight of budgeting, planning, and monitoring information technology acquisitions. We have also reviewed bureau use of innovative procurement techniques such as government-wide acquisition contracts, multiple-award contracts, and task orders issued under the General Services Administration's Federal Supply Schedules. We are analyzing the results and will share best practices with our bureaus.

Ensure Effective Management of Major Facilities Renovation and Construction Projects

The Department is involved in a complex effort to renovate many of the buildings that currently house its operations and build new facilities. This includes a billion-dollar project to consolidate USPTO's employees and operations in a single, new facility; a multimillion-dollar program to upgrade existing laboratories and construct a new laboratory for the National Institute of Standards and Technology, and multiple projects to ensure that NOAA facilities remain state-of-the-art. The Department is working with its bureaus to address the risks inherent in planning and carrying out such undertakings. Before any major real estate project is initiated, the Department reviews the proposal and provides advance approval. Once work begins, Departmental personnel monitor progress through site visits, project meetings, periodic status reports, and continued interaction with project, budget, and General Services Administration staff.

FY 2003 Program Changes

Salaries and Expenses

	Base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Departmental Staff Services	131	\$29,588	+3	+\$5,790
Information Technology (IT) Security Program			+3	+\$2,090

This program increase will provide an effective IT security program for the Department of Commerce. Current funding and staffing levels are totally inadequate to ensure compliance with current law and directives and provide no ability to oversee the IT security program within the operating units as evidenced by recent independent IT security oversight audits, by both the Commerce Office of the Inspector General and the General Accounting Office. The funds and FTE included in this request demonstrate that the Department places high priority on IT security and is making every effort to ensure that the information in our custody is adequately protected.

Contingency Planning and Continuity of Operations Program			+0	+\$700
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This program increase will provide the support required to allow the Department of Commerce to develop and implement an effective Emergency Preparedness Program based upon a viable, executable Contingency Planning and Continuity of Operations Program. The Department will be able to continue to provide essential functions during emergency situations, terrorist-related incidents, denial of services because of illicit computer hacking (cyber-terrorism), natural disasters, incidents involving the use of weapons of mass destruction, and other technological emergencies.

Critical Infrastructure Protection			+0	+\$2,500
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This program increase will provide for an emergency offsite backup for critical systems, including the web site, which will be used to inform employees worldwide of any situations affecting their work environment. Critical systems will be made available to remote users in a secure manner to provide continuity of operations for the Office of the Secretary. Offsite servers and storage, as well as secure telecommunications, will allow Office of the Secretary personnel to access critical office systems and support systems. It will allow the official business of the Office of the Secretary to continue in times of emergency when the servers in the main Department of Commerce building are not available or cannot be accessed by local telecommunications.

	Base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Department of Commerce Command, Operations, and Communications Center			+0	+\$500

This program increase will provide for the establishment of a Department of Commerce Command, Operations, and Communications Center in the main Commerce building. This center is essential in that it will serve as a centralized resource for coordinating effort during a broad spectrum of emergency situations or incidents in support of the Department's Emergency Preparedness Program. Additionally, it will function as the Department's alternate communications center for secure and nonsecure international, national, and intradepartmental communications in the event of a national emergency requiring activation of the Department's Contingency Planning and Continuity of Operations Program, or if the existing communications center were to be rendered inoperable.

Working Capital Fund

Office of the General Counsel	208	\$28,682	+1	+\$53
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This program increase will provide for additional staff to process Freedom of Information Act (FOIA) appeals for the Department and to defend ensuing FOIA litigation. More than ever, the General Law Division is processing appeals that deal with thousands of pages of documents, all of which must be analyzed, catalogued, copied, and retained for six years in cases of litigation. Since 1999, FOIA litigation has increased dramatically, and FOIA adjudication of appeals has increased by about 90%. The General Law Division proposes to expand its administrative processing budget for these appeals.

Targets and Performance Summary

The Department has reexamined the performance measures used to monitor its progress in providing policy oversight and administrative support services, which represent the bulk of its activity under DM. Substantial changes have been made to better reflect our most significant activities and to more closely correspond to the government-wide management initiatives established in the President's management agenda for FY 2003.

Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs						
	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Clean Audit Opinion Obtained on Commerce Consolidated Financial Statements ¹	100%	100%	100%	100%	Yes	Yes
Deploy Commerce-wide Integrated Financial Management System	System Deployed in 1 Bureau	System Deployed in 5 Bureaus	Deploy System in 9 Bureaus	System Deployed in 9 Bureaus	Deploy System in 11 Bureaus	Deploy System in 14 Bureaus; Complete Department-wide Deployment
Implement Competitive Sourcing	Inventory Submitted on 7/9/99	Inventory Submitted on 6/30/00	Complete Commercial Inventory by 6/30/01	Inventory Submitted on 6/29/01	Convert or Complete Competitions on 5% of Commercial FTE Positions	Convert or Complete Competitions on 10% of Commercial FTE Positions
Funds Obligated through Performance-based Contracting	N/A	N/A	10% of Total Procurement Funds	25% of Total Procurement Funds	25% of Total Procurement Funds	30% of Total Procurement Funds
Small Purchases Made Using Credit Cards	288,268 Transactions	88% of Actions below \$25,000	75% of Actions below \$25,000	92% of Actions below \$25,000	90% of Actions below \$25,000	90% of Actions below \$25,000
Use of Online Procurement to Publish Synopses and Solicitations for Proposals to Contract with the Department	N/A	N/A	50% of Synopses	98% of Synopses	100% of Synopses 100% of Solicitations	Discontinued Discontinued
Increase Percentage of Total Obligations Awarded as Contracts to Small Businesses	Small Businesses: 42%	Small Businesses: 34%	Small Businesses: 40%	Small Businesses: 50%	Small Businesses: 35%	Small Businesses: 40%
	Minority-owned Businesses: 14%	Minority-owned Businesses: 20%	Minority-owned Businesses: 18%	Minority-owned Businesses: 18%		
	Women-owned Businesses: 5%	Women-owned Businesses: 6%	Women-owned Businesses: 5%	Women-owned Businesses: 9%		
Reduce Energy Consumption per Square Foot from 1985 Baseline	33%	34%	26%	34%	35%	Discontinued

Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs

	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Ensure a Secure Workplace for All Commerce Employees	Conducted 12 Studies to Ensure Physical Security of Department of Commerce Facilities	Conducted 10 Studies to Verify Proper Maintenance of Safes for Classified Materials	Conduct 10 Studies of Classified Computer Systems	Conducted 32 Studies of Classified Computer Systems	Establish Department-wide Continuity of Operations Plan and Conduct 10 Compliance Reviews of Security Programs and Classified Systems	Conduct 12 Compliance Reviews of Security Programs and Classified Systems
Ensure a Safe Workplace for All Commerce Employees	N/A	N/A	N/A	N/A	Safety Infrastructure Accountability Systems, and Supervisory Training Programs Are in Place	Employee Education and Awareness Programs Are in Place

¹ Prior to FY 2003 this measure was worded as "Maintain 100% funds covered by clean audits."

Performance Goal 2: Strategic management of human capital

	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Strategic Competencies-- Ensure Competency in Leadership and in Mission Critical Occupations	Vacancies Monitored	Plan Developed and Tools Identified	Automated Tools Used by 3 Pilot Test Offices	Automated Tools Used by 3 Pilot Test Offices	Develop Comprehensive Department-wide Workforce Restructuring Plan that Addresses Competency Gaps	Develop Succession Plans and Staffing or Retention Targets for Mission Critical Occupations
Strategic Competencies-- Ensure Comprehensive Training and Development Strategies	New	New	New	New	Analyze and Update Training and Development Policies to Enhance competencies	Implement Training and Development Tracking System
Strategic Competencies-- Ensure Diverse Candidate Recruitment	Greatest Diversity Voids Determined and Workforce Has 3% Staff of Hispanic Origin	Finalized Memoranda of Understanding with 9 Hispanic Serving Institutions and Marketed 121 Resumes with Commerce Managers	Develop or Implement Resume Database, Sponsor 9 Recruitment Activities, and Market 140 Resumes	Sponsored 19 Recruitment Activities and Marketed More than 352 Resumes with Department of Commerce Managers	Refine Resume Database, Sponsor 20 Recruitment Activities, Market 350 Resumes, and Implement a Marketing or Awareness Campaign for Commerce Managers	Assess Effectiveness of Recruitment Activities and Determine Hiring Baseline

Performance Goal 2: Strategic management of human capital						
	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Efficiency and Effectiveness of Hiring Systems Using the Commerce Opportunities Online (COOL) System	COOL Phase I Created	COOL Phase II Created and Fill Time Identified at 44 Days	Create COOL Phase III and Reduce Fill Time to 34 Days	COOL Phase III Created and Fill Time of 38 Days	Create COOL Phase IV and Reduce Fill Time to 32 Days	Reduce Fill Time to 29 Days and Assess Quality of Candidates Processed by the System
Increase the Alignment of Performance Management with Mission Accomplishment	Information Entered with 95% Accuracy	Combined Performance Management and Awards Handbook Completed	Design Tracking System for Aligning Ratings with Mission Accomplishment or Overall Recognition	Tracking System for Aligning Ratings with Mission Accomplishment or overall Recognition Designed	Implement a New Senior Executive Service Performance Management System that Explicitly Links Senior Executive Service Performance Plans with Strategic Goals and Annual Performance Plan Measures	For Each Bureau General Schedule or Equivalent Performance System, Ensure Each System Explicitly Links Employee Performance Plans with Strategic Goals and Annual Performance Plan Measures
Implement a Telecommuting Program	Managers Made Aware	3 Pilot Programs Established	25% of Eligible Workforce ¹ Is Involved in Program	13.5% of Total Workforce ¹ Currently Telecommuting	50% of Eligible Workforce Is Involved in Program	75% of Eligible Workforce Is Involved in Program

¹ The portion of the workforce eligible to participate in the program depends on the Departmental telework policy, which is under development. Because this baseline figure was not available for FY 2001, we have reported on the proportion of the total workforce that telecommuted. However, because we could not verify whether the target was met, we are reporting that it was not met.

Performance Goal 3: Acquire and manage the technology resources to support program goals						
	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Transactions Converted to Electronic Format	N/A	16 (13% of 123 Total)	25 (20% of 123 Total)	28 (23% of 123 Total)	43 (35% of 123 Total)	74 (60% of 123 Total)
IT Planning and Investment Review Program Maturity (on a Scale of 0-5) ¹	N/A	1	2	2	50% at 3 or above	60% at 3 or Higher 30% at 4 or Higher
IT Architecture Program Maturity (on a Scale of 0-5) ¹	N/A	1	2	1.5	75% at 2 or Higher 50% at 3 or Higher	80% at 2 or Higher 40% at 3 or Higher
IT Security Program Maturity (on a scale of 0-5) ¹	N/A	<1	50% at 1 or Higher	100% at 1 or Higher 60% at 2 or Higher	80% at 2 or Higher	95% at 2 or Higher 50% at 3 or Higher
Percentage of IT System Security Plans Completed	N/A	21%	N/A	61%	100%	100%
Percentage of Unsuccessful Intrusion Attempts	N/A	N/A	N/A	86% (1,380 of 1,620 Intrusion Attempts)	85% (2,150 of 2,530 Projected Intrusion Attempts)	85% (2,678 of 3,160 Projected Intrusion Attempts)

¹ Maturity models are industry-accepted standards to assess progress toward achieving IT goals. See the description provided for performance goal 3.

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Available	FY 2003 Base	Increase/ Decrease	FY 2003 Request
Executive Direction	15.0	14.0	18.0	17.0	14.0	0	14.0
Departmental Staff Services	16.0	15.0	13.0	16.0	17.0	+2	19.0
Advances and Reimbursements	1.0	2.0	5.0	5.0	5.0	+1	6.0
Total Funding	32.0	31.0	36.0	38.0	36.0	+3	39.0
IT Funding ¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	161	149	129	171	171	0	171

Performance Goal 2: Strategic management of human capital

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Available	FY 2003 Base	Increase/ Decrease	FY 2003 Request
Executive Direction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departmental Staff Services	2.0	2.0	3.0	4.0	4.0	0	4.0
Total Funding	2.0	2.0	3.0	4.0	4.0	0	4.0
IT Funding ¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	22	17	24	25	25	0	25

Performance Goal 3: Acquire and manage the technology resources to support program goals

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Available	FY 2003 Base	Increase/ Decrease	FY 2003 Request
Executive Direction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departmental Staff Services	2.0	2.0	7.0	9.0	9.0	+4	13.0
Total Funding	2.0	2.0	7.0	9.0	9.0	+4	13.0
IT Funding ¹	2.0	2.0	7.0	9.0	9.0	+4	13.0
FTE	24	19	18	24	24	+3	27

Grand Total

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Available	FY 2003 Base	Increase/ Decrease	FY 2003 Request
Executive Direction	15.0	14.0	18.0	17.0	14.0	0	14.0
Departmental Staff Services	20.0	19.0	23.0	29.0	30.0	+6	36.0
Advances and Reimbursements	1.0	2.0	5.0	5.0	5.0	+1	6.0
Total Funding	36.0	35.0	46.0	51.0	49.0	+7	56.0
Direct	35.0	33.0	41.0	46.0	44.0	+6	50.0
Reimbursable ²	1.0	2.0	5.0	5.0	5.0	+1	6.0
IT Funding ¹	2.0	2.0	7.0	9.0	9.0	+4	13.0
FTE	207	185	171	220	220	+3	223

¹ IT funding included in total funding.

² Reimbursable funding reflects external sources only.

Note: The funding shown in the resource requirements summary varies slightly from that presented last year. The funding amounts differ due to an additional level of detail in reporting to show direct and reimbursable funds. Beginning in FY 2002, the summary reflects a consistent distribution of overhead costs among performance goals. Funds for the Working Capital Fund and the Franchise Fund are appropriated to bureaus, and they do not appear in these DM totals.

FY 2003 Performance Goals

Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Commerce Department's Programs

Corresponding Strategic Goal

Management Integration Goal: Strengthen management at all levels

Rationale for Performance Goal

The Department of Commerce must have the capacity to do business as successfully as possible with the public and its partner agencies, both as a \$5 billion, worldwide enterprise and as an integrated set of individual programs. This requires that we identify, adopt, and maintain the business practices needed to successfully operate any such organization; use our resources wisely; and effectively implement the laws that affect us. Because this performance goal inherently encompasses a wide range of administrative and operational tasks, the measures used to assess our progress are by necessity highly diverse. For FY 2003, we have worked to ensure that these measures are meaningful and reflect particularly significant activities.

Measure 1a: Clean Audit Opinion Obtained on Commerce Consolidated Financial Statements

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Maintain 100% funds covered by clean audits.")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target ¹	100%	100%	100%	Yes	Yes
Actual	100%	100%	100%		
Met/Not Met	Met	Met	Met		

¹ See italicized statement above regarding rewording of the measure and recharacterization of the associated targets.

Data Validation and Verification:

Data source: Consolidated financial statements and Office of Inspector General (OIG) audits

Frequency: Annual

Data storage: Bureau or Departmental financial systems

Verification: OIG audits

Data limitations: None

Actions to be taken: Continue to maintain clean audits

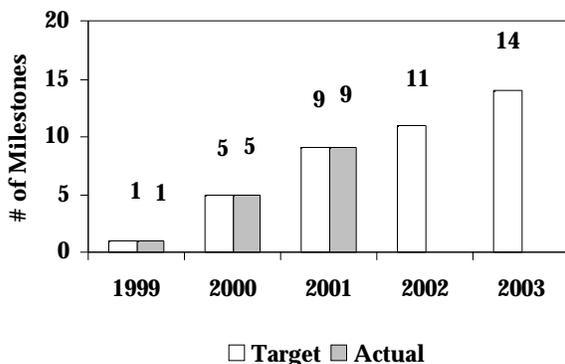
Explanation of Measure

The Department continues to prioritize the improvement of financial management by strengthening the integrity of financial operations and ensuring the accuracy of our financial records. Key laws such as the Chief Financial Officers Act, Government Management Reform Act, Federal Financial Management Improvement Act, and Government Performance and Results Act (GPRA) establish the standards for federal agency financial operations. Timely and reliable financial information is necessary to instill stakeholders and decisionmakers with confidence in the way Commerce manages its resources, and it is key to ensuring full accountability to the American taxpayer for the

expenditure of federal funds. Our success is measured by our ability to obtain the unqualified opinion of our auditors on our consolidated financial statements, which we have maintained since FY 1999.

Measure 1b: Deploy Commerce-wide Integrated Financial Management System

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Meet milestones in implementing the department-wide financial system (cumulative)")



Data Validation and Verification:

Data source: Bureau reports
Frequency: Ongoing monitoring and quarterly reporting
Data storage: N/A
Verification: Office of Inspector General audits
Data limitations: N/A
Actions to be taken: Continue aggressive implementation schedule

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	1	5	9	11	14
Actual	1	5	9		
Met/Not Met	Met	Met	Met		

Explanation of Measure

This measure tracks the Department’s progress in implementing the requirements of the Chief Financial Officers Act, the joint financial management improvement program, and other standards for an integrated financial system. A modern, department-wide financial management system is urgently needed to enable us to improve financial management overall. Full deployment of the Commerce Administrative Management System will ensure fiscal accountability and provide program managers with the timely, accurate financial data needed for sound decisionmaking. By the end of FY 2001, the Department had completed deployment in nine bureaus as planned. By October 2003, the Department will deploy an integrated financial management in all Commerce bureaus.

Measure 1c: Implement Competitive Sourcing

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Expand A-76 competition and more accurate Federal Activities Inventory Reform (FAIR) Act inventories.")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Inventory of Commercial FTE ¹ Positions Due by 6/30/99	Complete Inventory of Commercial FTE ¹ Positions Due by 6/30/00	Complete Inventory of Commercial FTE ¹ Positions Due by 6/30/01	Convert or Complete Competitions on or Convert 5% of Commercial FTE ¹ Positions	Convert or Complete Competitions on or Convert 10% of Commercial FTE ¹ Positions
Actual	Inventory Submitted on 7/9/99	Inventory Submitted on 6/30/00	Inventory Submitted on 6/29/01		
Met/Not Met	Not Met	Met	Met		

¹ FTE Full-time equivalents

Data Validation and Verification:

Data source: Inventory transmittal letters
Frequency: Annual
Data storage: Office chronology files
Verification: Executive Secretariat
Data limitations: None
Actions to be taken: Measure trends over time

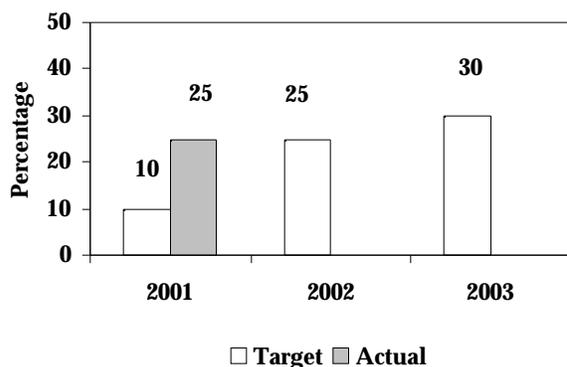
Explanation of Measure

The FAIR Act requires that the federal government avoid unfairly competing with private sector providers in providing the products and services the federal government needs to function. The Act requires that agencies provide the Office of Management and Budget (OMB) with a timely inventory of the activities they perform that could be carried out by commercial sources. To comply with this requirement, the Department has developed an annual reporting process that is timely and complete. In FY 2001, we focused on working with our bureaus to increase the accuracy and completeness of the Department's inventory, and submitted it to the OMB on time. The deadline was June 30, 2001 and the inventory was transmitted to the OMB on June 29, 2001. By making the inventory available, the public is given advance notice of potential opportunities to do business with the Department.

In FY 2002, we will complete competitions for or convert at least 5% of the FTE positions reported on our FAIR Act inventory to contracts. In FY 2003, we will complete competitions for or convert to contracts at least 10% of our inventory. These may include new cost comparisons for activities not previously studied or updating cost comparisons for activities that have been studied and retained in-house. FY 2002 activity will also include a re-evaluation of each activity to verify that FTE positions are accurately designated as either inherently governmental or commercial.

Measure 1d: Funds Obligated through Performance-based Contracting

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Increase portion of contract funds obligated for performance-based contracting.")



Data Validation and Verification:

Data source: Commerce procurement data system
Frequency: Annual
Data storage: Commerce procurement data system
Verification: Supervisory audit
Data limitations: N/A
Actions to be taken: None

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	10%	25%	30%
Actual	N/A	N/A	25% of \$1.624B		
Met/Not Met	N/A	N/A	Met		

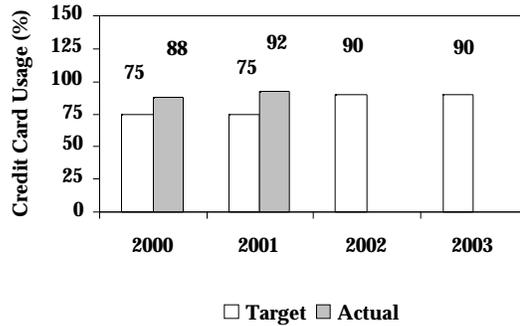
Explanation of Measure

Performance-based contracting is a method of procurement in which the federal government defines the results it is seeking, rather than the process by which those results are to be attained. The government also establishes the standards against which contractor performance will be measured and the incentives it will use. FY 2001 was the first year of the Procurement Executives Council's (PEC's) effort to encourage performance-based contracting through the establishment of government-wide goals. The PEC goal for FY 2001 was 10% of the total amount awarded by an agency through procurement transactions. Typically, Commerce issues between \$1.6 billion and \$1.9 billion in procurement awards annually.

There are two reasons that we significantly exceeded the FY 2001 target of 10%. First, Commerce procurement requirements seem to lend themselves to performance-based contracting. Additionally, we believe that the potential results of performance-based procurement transactions are superior to the results of traditional procurement transactions. Therefore, we are encouraging our bureaus to utilize this approach through training and policy guidance. Although the government-wide target for FY 2002 is 20%, we have raised our target based on our FY 2001 performance to 25%. Until we gain additional experience with this procurement mechanism, we have established our FY 2003 target at the government-wide level of 30%. These annual increments pave the way to achieving the PEC's ultimate goal of awarding 50% of total procurement dollars through performance-based contracts in FY 2005.

Measure 1e: Small Purchases Made Using Credit Cards

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Increase transactions using credit card purchasing.")



Data Validation and Verification:

Data source: Commerce bank card center
Frequency: Annual
Data storage: Commerce bank card center
Verification: PEC process
Data limitations: None
Actions to be taken: Continue to gather and review data

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	75% of Actions below \$25,000	75% of Actions below \$25,000	90% of Actions below \$25,000	90% of Actions below \$25,000
Actual	288,268 Transactions	88% of Actions below \$25,000	92% of Actions below \$25,000		
Met/Not Met	N/A	Met	Met		

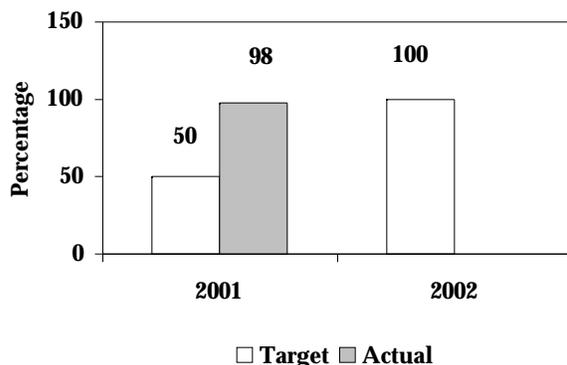
Explanation of Measure

In FY 2000, PEC adopted a new government-wide acquisition performance measurement program, which included establishing a target for using government-issued credit cards for transactions below the small purchase threshold. The government target is 75% of all transactions under \$25,000. This measure was pilot tested in FY 2000. The first year of full implementation was FY 2001.

During FY 2001, Commerce processed 334,179 acquisitions of \$25,000 or less. Of these, the Department processed 307,384 transactions, or 92% of the total, using credit cards. Commerce exceeded the government target of 75% because this approach minimizes the lead-time involved in obtaining needed products and requires less burdensome administrative handling. Although we are not certain whether this is a sustainable level because of our limited experience with the program, we have raised our FY 2002 and FY 2003 target from the government goal of 75% to 90%. As the current year progresses, we will reassess our FY 2003 goal to determine whether further adjustment is appropriate.

Measure 1f: Use of Online Procurement to Publish Synopses and Solicitations for Proposals to Contract with the Department

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Expand the application of online procurement.")



Data Validation and Verification:

Data source: Commerce Business Daily Net
Frequency: Annual
Data storage: Commerce Business Daily Net
Verification: Contracting office certification
Data limitations: N/A
Actions to be taken: None

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	50% of Synopses	100% of Synopses 100% of Solicitations	Discontinued
Actual	N/A	N/A	98% of Synopses		
Met/Not Met	N/A	N/A	Met		

Explanation of Measure

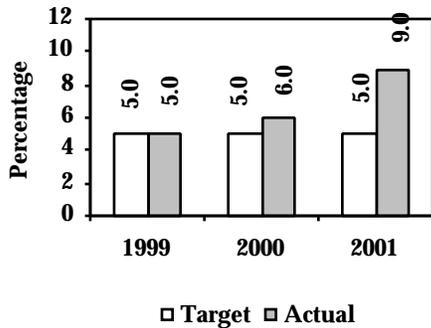
The President is committed to increasing the government’s use of the Internet to acquire goods and services and to promoting increased competition among firms interested in doing business with the government. In FY 2001, 98% of all synopses, or notices of the Department’s intent to enter into a contract to meet a specific need, issued by Commerce were posted through www.FedBizOpps.gov, the single point-of-entry web site for all government agencies. In FY 2002, the Department will expand its use of www.FedBizOps.com to post (a) all synopses for acquisitions valued above \$25,000 for which widespread notice is required and (b) all associated solicitations for proposals, unless covered by an exemption in the Federal Acquisition Regulation.

As of FY 2002, online procurement will be the only option available for publicizing procurement opportunities. Because there will be no need to track this activity prospectively, we will discontinue this measure in FY 2003.

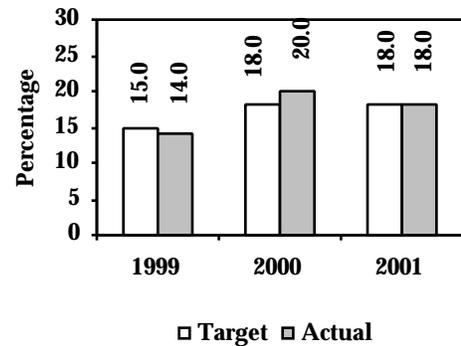
Measure 1g: Increase Percentage of Total Obligations Awarded as Contracts to Small Businesses

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Increase percentage of total obligations awarded as contracts to small, minority-owned, and women-owned firms.")

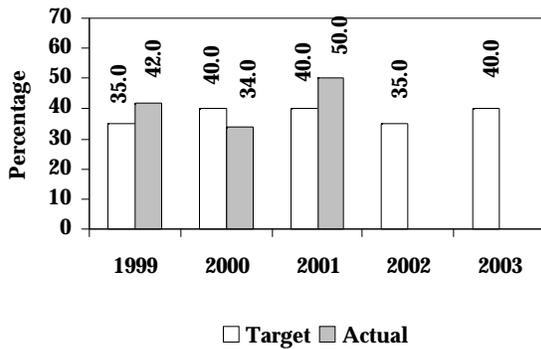
Women-owned Businesses:



Minority-owned Businesses:



Small Businesses:



		FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Small Businesses	35%	40%	40%	35%	40%
	Women-owned Businesses	5%	5%	5%		
	Minority-owned Businesses	15%	18%	18%		
Actual	Small Businesses	42%	34%	50%		
	Women-owned Businesses	5%	6%	9%		
	Minority-owned Businesses	14%	20%	18%		
Met/Not	Small Businesses	Met	Not Met	Met		
Met	Women-owned Businesses	Met	Met	Met		
	Minority-owned Businesses	Not Met	Met	Met		

Data Validation and Verification:

Data source: Small Business Administration (SBA) and the Department of Commerce's Office of Small and Disadvantaged Business Utilization (OSDBU)

Frequency: Annual

Data storage: SBA and OSDBU

Verification: SBA and OSDBU

Data limitations: None

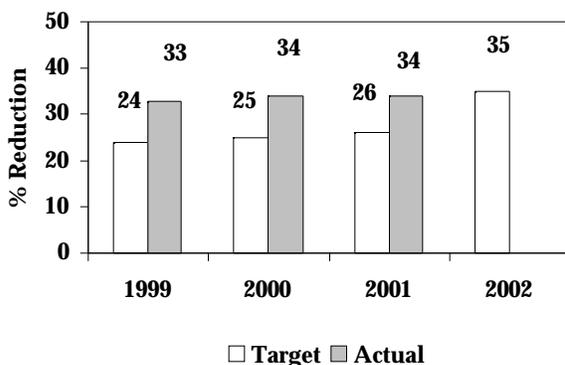
Actions to be taken: Continue outreach efforts

Explanation of Measure

This measure monitors the Department of Commerce's ability to increase the extent to which small businesses owned by minorities, women, and people with disabilities participate in Commerce acquisitions. In FY 2001, SBA established the following government-wide goals: 23.0% of the total amount awarded through contracts for small businesses, 5.7% for minority businesses, and 4.6% for women-owned businesses. As in the past, Commerce illustrated its commitment to this effort by adopting higher targets in each category, which it either met or exceeded.

In FY 2001, SBA added two more categories of small and disadvantaged businesses: historically underutilized business zone and service-disabled veteran-owned small businesses. Because these two groups, together with women-owned and minority-owned businesses, are included in the umbrella group described as small business, it is not necessary to track each category separately. Therefore, Commerce will simplify the measure it uses to monitor progress in contracting with small and disadvantaged firms under GPRA by reporting only on small business contracts beginning in FY 2002.

Measure 1h: Reduce Energy Consumption per Square Foot from 1985 Baseline



Data Validation and Verification:

Data source: Bureau reports

Frequency: Annual

Data storage: Departmental management office tracking system

Verification: Reasonable use standard

Data limitations: N/A

Actions to be taken: Improve recording and reporting methodology

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	24%	25%	26%	35%	Discontinued
Actual	33%	34%	34%		
Met/Not Met	Met	Met	Met		

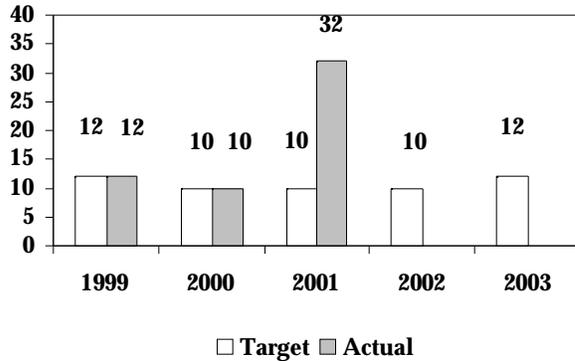
Explanation of Measure

Federal agencies are required by law and executive order to reduce energy consumption by 30% by 2005 and 35% by 2010. The Energy Policy Act of 1992 established 1985 as the baseline against which all agencies measure their progress. For three consecutive years, Commerce has exceeded interim goals, and the Department intends to achieve a 35% reduction in FY 2002. Once we have achieved

this long-term, government-wide goal, we believe that tracking energy consumption will no longer require monitoring under GPRA.

Measure 1i: Ensure a Secure Workplace for All Commerce Employees

(This measure has been reworded since publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Protect information and staff at field sites from risk or disaster.")



Data Validation and Verification:

Data source: Site visits
Frequency: Annual
Data storage: Computer systems
Verification: Compliance reviews
Data limitations: Technology decentralizes data
Actions to be taken: Continued monitoring and evaluation

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Conduct 12 Physical Security Reviews	Inspect All Safes and Other Security Containers at 10 Field Facilities	Conduct 10 Classified Computer Systems	Establish Department-wide Continuity of Operations Plan and Conduct 10 Compliance Reviews of Security Programs and Classified Systems	Conduct 12 Compliance Reviews of Security Programs and Classified Systems
Actual	12 Physical Security Reviews Conducted	All Security Containers at 10 Field Facilities Inspected	32 Inspections of Classified Computer Systems Conducted		
Met/Not Met	Met	Met	Met		

Explanation of Measure

The Department of Commerce ensures security for headquarters and field staff, visitors, facilities, resources, and information. This is achieved in a variety of ways. In FY 1999, we completed 12 physical security reviews for regional census centers. This reduced security-related risks and incidents and helped increase employee satisfaction and productivity. In FY 2000, all safes and other security containers at 10 Department of Commerce field facilities were inspected and found to be in compliance. In FY 2001, the objective was to protect classified Commerce computer systems and information from being compromised or exploited. This was accomplished by inspection,

certification, and accreditation of classified computer systems. We completed 32 security inspections, surpassing our target of 10.

The safety and security of our workforce, facilities, and information technology (IT) systems remain of paramount importance. We believe that the measures used to assess our success in protecting these resources would benefit from distinguishing between facilities security, employee safety, and IT security. Beginning in FY 2002, this measure will focus on security matters; a new measure, 1j, will address employee safety; and measures included under performance goal 3 will address IT security.

Measure 1j: Ensure a Safe Workplace for All Commerce Employees

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	N/A	Safety Infrastructure, Account-ability Systems, and Supervisory Training Programs Are in Place	Employee Education and Awareness Programs Are in Place
Actual	N/A	N/A	N/A		
Met/Not Met	N/A	N/A	N/A		

Data Validation and Verification:

Data source: Office of Human Resources Management
Frequency: Annual
Data storage: Office of Human Resources Management
Verification: Reporting to senior managers
Data limitations: N/A
Actions to be taken: Continued monitoring and evaluation

Explanation of Measure

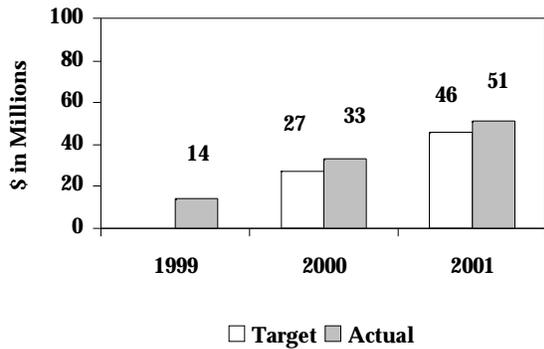
The Department is introducing this measure to highlight its effort to reinvigorate its safety program to ensure that employees have a safe environment in which to carry out their responsibilities. In FY 2002, we are developing a department-wide infrastructure to implement this program, establishing accountability systems, putting supervisory training programs in place, and creating an incentive system to promote manager involvement. As part of this effort, we will begin to issue safety reports and convene Safety Council meetings on a regular basis. In FY 2003, we will expand this activity to promote greater employee awareness.

FY 2001 Program Evaluation for Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Department’s Programs

The Department of Commerce uses reviews and reports generated by OIG, the Office of Management and Budget, the General Accounting Office, other Congressional entities, government-wide task force studies, and additional objective sources to evaluate performance goal 1 activities. In addition, many of the laws cited in this section have separate reporting requirements. The Department uses the results to adjust its efforts as needed to achieve departmental performance targets. Deviation from expected targets and accomplishments results in adjustments to operations as needed to take corrective action.

Discontinued Measures

Provide Grants and Cooperative Agreements to Minority-serving Institutions



Data Validation and Verification:

Data source: Federal Assistance Award Data System

Frequency: Annual

Data storage: Office of Executive Assistance Management

Verification: Office of Executive Assistance Management provides year-end summaries to bureaus; bureaus correct and revise as needed.

Data limitations: Data system contains grant information but not accounting information, or information about sub-awards.

Actions to be taken: Discontinue tracking under GPRA.

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	\$27M	\$46M	Discontinued	Discontinued
Actual	\$14M	\$33M	\$51M		
Met/Not Met	N/A	Met	Met		

Explanation of Measure

The objective of this initiative was to include a broader range of organizations than had historically participated in our financial assistance programs. Through sustained outreach to a range of such organizations, we have made significant progress in increasing participation rates. We exceeded our targets for FY 2000 and FY 2001 by \$6 million and \$5 million, respectively. The Department will continue working toward this objective; however, we have reassessed its relationship to this performance goal and have determined that it is no longer necessary to track this effort under GPRA. Therefore, beginning in FY 2002, we are discontinuing this measure.

Cross-cutting Activities

Intra-Department of Commerce

Under the Departmental Management function, the Office of the Secretary regularly works with all bureaus across the full range of policy development and program management topics.

Other Government Agencies

Under the Departmental Management function, the Office of the Secretary regularly works with virtually all other federal agencies across the full range of policy development and program management topics.

Government/Private Sector

Under the Departmental Management function, the Office of the Secretary regularly works with all segments of the private sector across the full range of policy development and program management topics.

External Factors and Mitigation Strategies

- Customers of the Department are diverse and often have a broad array of needs and expectations that cannot be adequately addressed by a universal approach.
- Commerce programs face continually increasing demands for greater productivity and increased services against a backdrop of limited federal funds. Program operations are adjusted as needed to meet these evolving needs.
- Commerce programs must be managed from within aging physical facilities (including our headquarters building and other facilities across the nation), which require modernization in order to meet technical and scientific needs and to ensure the safety of staff, information, and customers. The Department is working with the General Services Administration to upgrade and modernize facilities that are most in need of renovation.

Performance Goal 2: Strategic Management of Human Capital

Corresponding Strategic Goal

Management Integration Goal: Strengthen management at all levels

Rationale for Performance Goal

Sometime in the near future--certainly within the period covered by the FY 2000-2005 strategic plan--the federal government will face a very real and far-reaching change in the composition of its workforce, as members of the post-World War II baby boomer generation begin to retire. Fully 74% of the Commerce Department's Senior Executive Service (SES) managers and 47% of our senior staff in grades 13 through 15 will be eligible for retirement during this period. This will clearly produce an unprecedented drain on our institutional memory, on our capacity to provide mature leadership to the next generation of employees, and, thus, on our capacity to serve the public.

For the past year, we have placed a strong emphasis on more strategically managing human capital within the Department of Commerce. For example, in the FY 2003 budget planning process, we included a human capital initiative to focus bureau attention on this critical area. We also conducted a comprehensive workforce analysis, collaborated with our bureaus to develop a framework for linking human capital strategies to effective mission delivery, and continued to focus on improving the efficiency of human resources services. Consequently, the measures in this plan have been designed to assess our progress in these key areas as well as address the variety of scorecard initiatives sponsored by the Office of Management and Budget, the Office of Personnel Management, and the General Accounting Office.

Measure 2a: Strategic Competencies--Ensure Competency in Leadership and in Mission Critical Occupations

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Develop process to identify current or projected mission-related workforce needs.")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Monitor Vacancies	Develop Workforce Analysis Plan and Research and Automate Tools	Automated Tools Used by 3 Pilot Test Offices	Complete Comprehensive Department-wide Workforce Restructuring Plan that Addresses Competency Gaps in All Bureaus	Develop Succession Plans and Staffing or Retention Targets for Mission Critical Occupations
Actual	Vacancies Monitored	Plan Developed and Tools Identified	Automated Tools Used by 3 Pilot Test Offices		
Met/Not Met	Met	Met	Met		

Data Validation and Verification:

Data source: National Finance Center/Department of Commerce's Human Resources Data System (HRDS), bureaus' workforce restructuring plans, recruitment and retention plans that focus on mission critical competencies, and leadership succession plans (recruitment, retention, and development)

Frequency: Semi-annual in some cases, annual in others

Data storage: Office of Human Resources Management (OHRM) payroll and personnel system and succession plans

Verification: Availability of plans, data accuracy as documented by the National Finance Center, leadership recruitment and retention rates, turnover data, availability and quality of succession plans, and review of bureau progress on succession plans

Data limitations: HRDS does not provide historical data.

Actions to be taken: Measure trends over time and ensure that plans are in place and implemented

Explanation of Measure

Previous downsizing efforts, hiring freezes, and curtailed investment in human capital have resulted in a workforce that is not "appropriately constituted to meet the current and emerging needs of government and the nation's citizens," according to a government-wide General Accounting Office report published in January 2001, entitled *High-Risk Series: An Update*. President Bush recently identified the issue of "delaying management levels to streamline organizations" as one of his five key government-wide management reforms. Ensuring that employees are available, at the proper time and with the correct competencies, is essential to achieving mission objectives. This measure ensures that the Department of Commerce conducts a strategic review of workforce needs, identifies appropriate competencies, and implements plans to provide a sufficient number of employees with these competencies. This is reflected in the targets for FY 2002 and FY 2003. In FY 2001, the Department completed a comprehensive workforce analysis, conducted a benchmarking study of workforce restructuring best practices which was developed into a resource guide for use by the bureaus, and piloted workforce analysis techniques in three locations (two bureaus and the Department). In March 2002, the Department will complete a workforce restructuring plan.

This measure also focuses on the recruitment and retention of the Department's leadership cadre and will enable the Department to emphasize the urgent need for leaders who inspire, motivate, coach, and guide others toward Commerce's goals. Given that 74% of SES leaders are eligible for optional or early retirement, it is essential for the Department to develop and implement strong succession plans. In FY 2002, our comprehensive workforce restructuring planning will include the identification of the leadership competencies we will need to recruit and retain for the future. Our FY 2003 target includes development of succession plans that provide staffing and retention targets for high-performing leaders.

Measure 2b: Strategic Competencies--Ensure Comprehensive Training and Development Strategies

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	New	Analyze and Update Training and Development Policies to Enhance Competencies	Implement Training and Development Tracking System
Actual	New	New	New		
Met/Not Met					

Data Validation and Verification:

Data source: Department plan for strategic employee training and development
Frequency: Annual
Data storage: OHRM and bureaus
Verification: Review of manual records and availability of updated policies that support mission-critical employee competency development
Data limitations: Manual review required
Actions to be taken: Ensure that new policies are in place and that tracking system is created and implemented.

Explanation of Measure

This is a new measure, which reflects the urgency of the need for skilled, knowledgeable, and high-performing employees to meet the current and emerging requirements of the federal government and the American people. The Department of Commerce will support continual learning and improvement in an organizational culture that promotes knowledge sharing and fosters a climate of openness. In FY 2002, we will focus on ensuring that corporate training policies support and advance organizational commitment to improve employee competencies linked to organizational mission, now and in the future. In FY 2003, we will focus on developing a system for tracking training and development activities and devise appropriate targets to demonstrate that training strategies positively relate to employee skills development and retention.

Measure 2c: Strategic Competencies--Ensure Diverse Candidate Recruitment

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Increase recruitment opportunities and improve diversity.")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Determine Greatest Diversity Voids	Finalize Memoranda of Understanding with 5 Hispanic Serving Institutions and Market Student Resumes	Develop and Implement Resume Database, Sponsor 9 Recruitment Activities, and Market 140 Resumes	Refine Resume Database, Sponsor 20 Recruitment Activities, Market 350 Resumes, and Implement a Marketing and Awareness Campaign for Commerce Managers	Assess Effectiveness of Recruitment Activities and Determine Hiring Baseline
Actual	Greatest Diversity Voids Determined, and Workforce Has 3% Staff of Hispanic Origin	Finalized Memoranda of Understanding with 9 Hispanic Serving Institutions and Marketed 121 Resumes with Department of Commerce Managers	Resume Database Developed and Implemented, 19 Recruitment Activities Sponsored, and More than 352 Resumes Marketed		
Met/Not Met	Met	Met	Met		

Data Validation and Verification:

Data source: Inventory transmittal letters
Frequency: Annual
Data storage: Office chronology files
Verification: Executive Secretariat
Data limitations: None
Actions to be taken: Measure trends over time

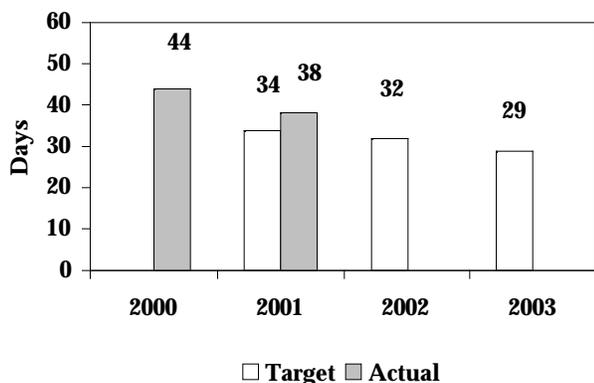
Explanation of Measure

Only 3% of the Commerce workforce is of Hispanic origin, which is low compared with the 11% in the civilian labor force. Considering the impending retirements of many of the Department’s workers and our goal to become an employer of first choice, that is, that individuals seeking jobs will seek out a position at the Department of Commerce, we need to develop a steady supply of high-quality, diverse candidates to ensure appropriate recruitment pools. Currently, we have entered into formal memoranda of understanding with nine colleges and universities--Hispanic serving Institutions--that call for information sharing about education, training, employment, and research opportunities at the Department of Commerce and university activities that meet the requirements of Department of Commerce-mission-related careers.

Measure 2d: Efficiency and Effectiveness of Hiring Systems Using the Commerce Opportunities Online (COOL) System

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: “Increase the efficiency and effectiveness of hiring systems.”)

Data Validation and Verification:



Data source: Staffing timeliness measure system
Frequency: Semi-annual
Data storage: Staffing timeliness measure system
Verification: Staffing timeliness studies
Data limitations: Some manual sorting required
Actions to be taken: Refine system, provide training, and oversee issuance of certificates to managers

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Create Commerce Opportunities Online (COOL) Phase I	Create COOL Phase II and Identify Average Fill Time	Create COOL Phase III and Reduce Fill Time to 34 Days	Create COOL Phase IV and Reduce Fill Time to 32 Days	Reduce Fill Time to 29 Days and Assess Quality of Candidates Produced by the System
Actual	COOL Phase I Created	COOL Phase II Created and Fill Time Identified at 44 Days	COOL Phase III Created and Fill Time of 38 Days		
Met/Not Met	Met	Met	Not Met		

Explanation of Measure

To ensure that employees with the proper competencies are in place as quickly as possible, the Department has developed and implemented an automated hiring solution to improve the timeliness of hiring. In the past, Commerce managers expressed displeasure with the lengthy hiring process, as well as the number and quality of candidates referred for consideration. In 1999, the Department designed and pilot-tested a web-based recruitment and referral system, COOL Phase I. In April 2000, Commerce replaced the Phase I pilot with an enhanced version (COOL Phase II) and deployed it within a number of Department of Commerce bureaus; in October 2000, the Department deployed COOL Phase III, which is useful for filling vacancies with nonstatus, external candidates. In FY 2002, Commerce will deploy COOL Phase IV, reducing the vacancy fill time to 32 days. In FY 2003, we will further reduce fill time to 29 days and continue to examine the best automation solutions for staffing at the Department of Commerce. The overall goal is to reduce the amount of time to hire, which is the key aspect of this performance measure.

The target measure for FY 2001, which was missed by approximately four days, was not achieved due to the following three reasons. Resource reductions that occurred during the reporting period directly affected system implementation. Moreover, we were not able to maximize the beneficial effects of the automated system because two of our larger bureaus did not begin full implementation of the COOL system until the second quarter of the fiscal year. Finally, during the transition between Administrations in January 2001, the hiring freeze that was put into place exerted a significant impact on hiring processes. Specifically, fill time was the highest in February and March (61 days and 48 days, respectively). As the end of the fiscal year approached, however, the effects of the freeze had substantially faded, and we documented a marked improvement in fill time--24 days in August and 22 days in September. The decline in fill time that we experienced late in FY 2001 reinforces our original expectations about the way that COOL will transform our hiring systems, and we remain optimistic that the positive trend will continue unabated.

Measure 2e: Increase the Alignment of Performance Management with Mission Accomplishment

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "Increase the alignment of performance management with mission accomplishment and overall recognition.")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Enter Performance Ratings and Awards into National Financial Center Database with 95% Accuracy	Develop Web-based Combined Performance Management and Awards Handbook	Design Tracking System for Aligning Ratings with Mission Accomplishment and Overall Recognition	Implement a New SES Performance Management System that Explicitly Links SES Performance with Strategic Goals and Annual Performance Plan Measures	For Each Bureau General Schedule or Equivalent Performance System Ensure Each System Explicitly Links Employee Performance Plans with Strategic Goals and Annual Performance Plan Measures
Actual	Information Entered with 95% Accuracy	Combined Performance Management and Awards Handbook Completed	Tracking System for Aligning Ratings with Mission Accomplishment and Overall Recognition Designed		
Met/Not Met	Met	Met	Met		

Data Validation and Verification:

Data source: HRDS, Department of Commerce strategic plan, bureau operating plans, and performance management plans for employees

Frequency: Annual

Data storage: HRDS database, performance management system

Verification: Performance management completion rate and performance against goals and targets

Data limitations: Some manual recordkeeping

Actions to be taken: Implement new performance management policy and complete analyses

Explanation of Measure

A key aspect of ensuring that human capital is strategically aligned to organizational accomplishment is to ensure that alignment exists between the organization’s strategic and operating plans and individual performance plans for employees. For example, the General Accounting Office’s *High-Risk Series, An Update*, published in January 2001, stated that agencies should instill an organizational climate that promotes high performance and accountability and that the alignment of individual performance standards with organizational performance measures is a critical aspect of sound human capital management. President Bush reaffirmed this concept in a speech in which he stated his commitment to improving the linkages between individual performance and organizational mission accomplishment. To provide guidance to the Department regarding these linkages, OHRM recently combined two related systems (performance management and incentive awards) into one web-based document. With the receipt of the U.S. Office of Personnel Management’s new SES performance rating regulations, we are designing a new SES performance management system. This measure will ensure that a definitive linkage is created, tested, documented, and tracked so that performance management is integral to mission accomplishment. In FY 2001, we began work on an automated system for tracking and aligning ratings with mission accomplishment and overall recognition. We will focus on creating links between organizational accomplishment and executive performance and extend systems requirements for such linkages to all employee groups in FY 2003.

Measure 2f: Implement a Telecommuting Program

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Make Managers Aware of Telecommuting Flexibilities	Provide Advice to Managers in Establishing Pilot Programs	25% of Eligible Workforce ¹ Is Involved in Program	50% of Eligible Workforce Is Involved in Program	75% of Eligible Workforce Is Involved in Program
Actual	Made Managers Aware	3 Pilot Programs Established	13.5% of Total Workforce ¹ Currently Telecommuting		
Met/Not Met	Met	Met	Not Met		

¹ The portion of the workforce eligible to participate in this program depends on the Departmental telework policy, which is under development. Because this baseline figure was not available for FY 2001, we reported on the proportion of the total workforce that telecommuted. However, because we could not verify whether we met the target, we are reporting that it was not met.

Data Validation and Verification:

Data source: Management data on number of employees participating
Frequency: Quarterly
Data storage: OHRM database, created via reports from the bureaus
Verification: Review of bureau records
Data limitations: Manual information gathering
Actions to be taken: Develop Department-wide telecommuting plan, track number of participants, and determine if the program is supporting mission accomplishment.

Explanation of Measure

Public Law 106-346 supports implementation of telecommuting programs throughout the federal government and requires agencies to establish telecommuting policies. The law also requires the Office of Personnel Management to provide for the application of the law to 25% of the eligible federal workforce within six months (by April 23, 2001) and to an additional 25% each year thereafter. The Department has supported implementation of this law by re-examining its telework policy, which is pending implementation. Once implemented, the telework policy will define the eligible workforce. Because this baseline figure is not currently available, we have reported the proportion of the total workforce that telecommutes. While this number potentially meets or exceeds the target, we do not have all the requisite figures to make a definitive determination and are reporting that we did not meet this target at this time. Notwithstanding considerable computer security challenges in enabling telework, the Department is tracking and assessing its implementation of this law for eligible employees.

FY 2001 Program Evaluation for Performance Goal 2: Strategic Management of Human Capital

The Department of Commerce uses reviews and reports of the Office of Inspector General, the Office of Management and Budget, the Office of Personnel Management, the General Accounting Office, other Congressional organizations, government-wide task force studies that produce (or rely on) objective review criteria, and other sources in conducting evaluations of the activities listed under performance goal 2. In addition, many of the laws cited in this section have specific reporting requirements. Deviation from expected targets and accomplishments results in adjustments to operations as needed to take corrective action.

Discontinued Measures

Assess Human Capital and Value of Human Resources (HR) Services

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	Review Existing Balanced Scorecard Systems	Develop Balanced Scorecard Methodology	Complete 2 Balanced Scorecard Systems	Discontinued	Discontinued
Actual	Existing Systems Reviewed	Methodology Developed and HR Summit Held	Completed 2 Balanced Scorecard Systems		
Met/Not Met	Not Met	Met	Met		

Data Validation and Verification:

Data source: HR balanced scorecards
Frequency: Annual
Data storage: Department of Commerce-wide reports and databases
Verification: Utility of HR balanced scorecard systems
Data limitations: Comparative statistics
Actions to be taken: None

Explanation of Measure

The General Accounting Office's report *Major Management Challenges and Program Risks Report*, published in January 2001, states that "the lack of attention to strategic human capital management has created a government-wide risk--one that is fundamental to the federal government's ability to effectively serve the American people now and in the future." The report also contends that agencies must focus on human capital as a strategic asset, including an examination of critical HR functions. The HR Summit, held in August 2000, involved senior managers throughout the Department generating ideas for changing Commerce's human resources strategy and for examining a draft HR strategic plan that would integrate HR management into all major Department Management systems. With the more focused attention we are devoting to strategically managing our human capital, via the introduction of several new or redefined measures under performance goal 2, we believe this measure's utility as a guide to performance has now diminished, so it is being discontinued in FY 2002.

Cross-cutting Issues

Intra-Department of Commerce

Under the Departmental Management function, OHRM provides the full range of human resource policy and program development leadership to all Commerce bureaus.

Other Government Agencies

OHRM represents the Department of Commerce on the full range of human resource issues to other agencies.

Government/Private Sector

OHRM represents the Department of Commerce on the full range of human resource issues to the private sector and state and local governmental entities, covering human resource policy and program development oversight.

External Factors and Mitigation Strategies

- A large portion of the workforce is approaching retirement age and will have to be replaced.
- The growing technological orientation of our work means we are increasing our engagement in a highly competitive marketplace for individuals with skills in science, technology, and related fields.
- The increasing diversity in the American workforce requires us to recruit, train, and retain workers in new ways.
- We have a need to attract new workers to the public sector, which has been portrayed as unattractive and lacking the flexibility sought by new professionals.

Many of the activities described in this section are intended to assist us in dealing with these factors by (1) establishing a pipeline to encourage students in Commerce-related fields to seek employment

in the Department, (2) identifying options for developing and retaining managers with leadership skills, and (3) training our existing workforce.

Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

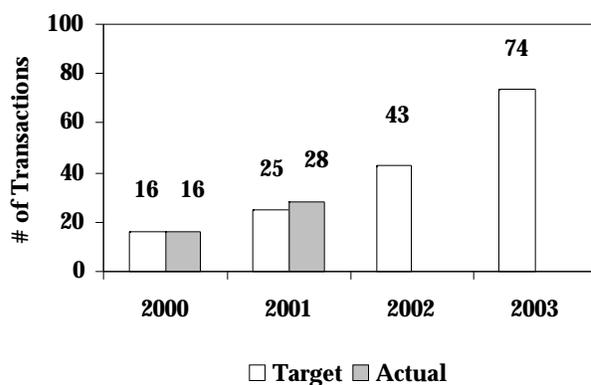
Corresponding Strategic Goal

Management Integration Goal: Strengthen management at all levels

Rationale for Performance Goal

As American society becomes increasingly oriented toward using electronic means of communication and information dissemination, federal agencies must ensure that they continue to be as responsive as possible to the needs of the public, private sector, other levels of government, and other federal agencies. This requires that we develop and implement new approaches to electronic communication and that our existing systems are able to perform at the highest levels.

Measure 3a: Transactions Converted to Electronic Format



Data Validation and Verification:

Data source: Bureau Information technology (IT) offices

Frequency: Annual

Data storage: Bureau files and departmental management Chief Information Officer (CIO) files

Verification: Departmental and outside reviews

Date limitations: None

Actions to be taken: Review transactions to assess need for transition to electronic process and provide for electronic signature

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	16 (13% of 123 Transactions)	25 (20% of 123 Transactions)	43 (35% of 123 Transactions)	74 (60% of 123 Transactions)
Actual	N/A	16 (13% of 123 Transactions)	28 (23% of 123 Transactions)		
Met/Not Met		Met	Met		

Explanation of Measure

The Government Paperwork Elimination Act GPEA determined the framework upon which e-government must be built. Under the Government Paperwork Elimination Act (GPEA), agencies must provide for the optional use and acceptance of electronic documents and signatures and electronic recordkeeping, when practicable, by October 2003. At present, the Department of Commerce provides information to customers, stakeholders, and partners using paper-based as well as electronic mechanisms. The first GPEA plan was submitted to the Office of Management and Budget in October

2000. At that time, the Department identified 235 transaction types that are carried out between Department of Commerce offices, bureaus, and the public. Of those, 123 are appropriate for conversion to an electronic option; this number serves as our baseline. Previously, this performance measure provided only a cumulative count of paper-based transactions converted to electronic means. We have revised the measure to include the cumulative percentage of targeted transactions.

Of the 123 transactions identified as candidates for conversion, 28 can now be conducted electronically via the Internet and 15 more are scheduled for conversion this fiscal year. These include online applications for patents, automated shippers' declarations for the Census Bureau, and online ordering for nautical charts available through the National Oceanic and Atmospheric Administration (NOAA).

Measure 3b: IT Planning and Investment Review Program Maturity (Scale of 0-5)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	2	50% at 3 or Higher	60% at 3 or Higher 30% at 4 or Higher
Actual	N/A	1	2		
Met/Not Met			Met		

Data Validation and Verification:

- Data source: Bureau IT offices
- Frequency: Annual
- Data storage: Bureau IT offices
- Verification: Departmental and outside review
- Data limitations: None
- Actions to be taken: Review systems to assess need for corrective action.

Explanation of Measure

The Commerce IT planning process requires that each operating unit develop strategic and operational IT plans. The purpose of the strategic IT plan is to focus attention on the high-level, strategic application of IT to departmental missions. Operating units then develop operational IT plans to show the detailed actions and resources necessary to achieve strategic plan goals. These plans form the foundation for analysis of specific IT investments.

Note: To assist bureau CIOs in continually improving their IT processes and to achieve a level of comparability across bureaus, the Office of the CIO has provided them with maturity models, which is an industry-wide accepted approach to objectively assessing the progress of IT and related initiatives in achieving program goals. The Software Engineering Institute at Carnegie Mellon University developed the concept of maturity models. A maturity model places proven practices into a structure that helps an organization assess its organizational maturity and process area capability, establish priorities for improvement, and guide the implementation of these improvements. The Software Engineering Institute's software maturity model has become the de facto standard in the IT industry for assessing and improving software processes.

Following the Software Engineering Institute's lead, Commerce's Office of the CIO developed maturity models for the IT architecture program and for the IT planning and investment review program, both of which have been approved by Commerce's CIO council. Commerce will use the federal CIO council's IT security assessment framework, another maturity model, to evaluate the IT security program. The scoring for these models uses a scale of 0 to 5 (5 is the highest) according to standard criteria developed by IT experts.

Commerce is measuring its results against these maturity models for the first time in FY 2001. Based on our review and analysis of the progress in FY 2001, we have adjusted the targets for the IT architecture and IT security programs in FY 2002 to show a target percentage for each at level 2 or higher. Given the progress in FY 2001, these new target values better reflect expected program maturity across the operating units.

The maturity models:

Level	IT Planning and Investment Review	IT Architecture	IT Security
0	No IT Planning Program	No IT Architecture	No IT Security Program
1	Initial: Informal IT Planning Program	Initial: Informal IT Architecture Process Underway	Documented Policy
2	IT Planning Program in Development	IT Architecture Process in Development	Documented Procedures
3	Defined IT Planning Program	Defined IT Architecture Including Detailed Written Procedures and Technical Reference Model	Implemented Procedures and Controls
4	Managed IT Planning Program	Managed and Measured IT Architecture Process	Tested and Reviewed Procedures and Controls
5	Optimizing: Continual Improvement of the IT Planning Program	Optimizing: Continual Improvement of the IT Architecture Process	Fully Integrated Procedures and Controls

Measure 3c: IT Architecture Program Maturity (Scale of 0-5)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	2	75% at 2 or Higher 50% at 3 or Higher	95% at 2 or Higher 75% at 3 or Higher
Actual	N/A	1	1.5		
Met/Not Met	N/A	N/A	Not Met		

Data Validation and Verification:

Data source: Bureau IT offices
Frequency: Annual
Data storage: Bureau IT offices
Verification: Departmental and outside review
Data limitations: None
Actions to be taken: Review systems to assess need for corrective action.

Explanation of Measure

IT architecture serves as the blueprint that guides how IT resources work together as a cohesive whole to support the Department's mission. This mechanism helps the Department in making efficient use of its IT funding by recognizing the potential usefulness of IT systems to similar business practices across bureau lines, improving information-sharing abilities, enhancing our ability to respond to changing business needs, and reducing costs because of economies of scale.

An IT architecture affinity group, composed of members from across the Department, has established IT architecture guidelines, evaluation criteria, and a maturity scale. A high-level enterprise architecture plan serves as the overarching driver for Commerce’s architecture efforts. Each Commerce operating unit is developing its own IT architecture, in line with the departmental plan, and is following the guidelines and criteria prepared by the IT architecture affinity group. Together, these plans form Commerce’s federated IT enterprise architecture.

The maturity models:

Level	IT Planning and Investment Review	IT Architecture	IT Security
0	No IT Planning Program	No IT Architecture	No IT Security Program
1	Initial: Informal IT Planning Program	Initial: Informal IT Architecture Process Underway	Documented Policy
2	IT Planning Program in Development	IT Architecture Process in Development	Documented Procedures
3	Defined IT Planning Program	Defined IT Architecture Including Detailed Written Procedures and Technical Reference Model	Implemented Procedures and Controls
4	Managed IT Planning Program	Managed and Measured IT Architecture Process	Tested and Reviewed Procedures and Controls
5	Optimizing: Continual Improvement of the IT Planning Program	Optimizing: Continual Improvement of the IT Architecture Process	Fully Integrated Procedures and Controls

Measure 3d: IT Security Program Maturity (Scale of 0-5)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	50% at 1 or Higher	80% at 2 or Higher	95% at 2 or Higher 50% at 3 or Higher
Actual	N/A	More than 1	100% at 1 or Higher 60% at 2 or Higher		
Met/Not Met			Met		

Data Validation and Verification:

- Data source: Bureau IT offices
- Frequency: Annual
- Data storage: Bureau IT offices
- Verification: Departmental and outside review
- Data limitations: None
- Actions to be taken: Review systems to assess need for corrective action.

Explanation of Measure

The IT security program implements policies, standards, and procedures to ensure an adequate level of protection for IT systems, whether maintained in-house or commercially. Commerce’s IT security program includes the preparation of risk assessments, security plans, contingency plans, and

certification and accreditation IT systems to ensure the confidentiality, availability, and integrity of the Department's IT resources. The targets for FY 2002 and 2003 have been revised to 100% to reflect the Department's aggressive program to improve IT security.

The maturity models:

Level	IT Planning and Investment Review	IT Architecture	IT Security
0	No IT Planning Program	No IT Architecture	No IT Security Program
1	Initial: Informal IT Planning Program	Initial: Informal IT Architecture Process Underway	Documented Policy
2	IT Planning Program in Development	IT Architecture Process in Development	Documented Procedures
3	Defined IT Planning Program	Defined IT Architecture Including Detailed Written Procedures and Technical Reference Model	Implemented Procedures and Controls
4	Managed IT Planning Program	Managed and Measured IT Architecture Process	Tested and Reviewed Procedures and Controls
5	Optimizing: Continual Improvement of the IT Planning Program	Optimizing: Continual Improvement of the IT Architecture Process	Fully Integrated Procedures and Controls

Measure 3e: Percentage of IT System Security Plans Completed

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	N/A	100%	100%
Actual	N/A	21%	61%		
Met/Not Met					

Data Validation and Verification:

Data source: Bureau IT offices

Frequency: Annual

Data storage: Bureau files and Departmental Management CIO files

Verification: Departmental and outside reviews

Date limitations: None

Actions to be taken: Review plans for completeness and conformance to NIST SP 800-18

Explanation of Measure

IT security plans are the foundation for the security measures that are required to ensure the confidentiality, availability, and integrity of information technology systems. As such, they are key to management's understanding and acceptance of the risks to the information and the information technology systems and the measures taken to mitigate these risks. Plans should be updated every three years or when significant changes are made to the systems.

The Department completed security plans for 21% and 61% of its IT systems in FY 2000 and FY 2001, respectively. Because of the importance of the security plans in safeguarding IT systems, the Department intends to have plans in place for 100% of its systems by the end of FY 2002. Their purpose is to ensure the confidentiality, availability, and integrity of our IT system.

Measure 3f: Percentage of Unsuccessful Intrusion Attempts

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	N/A	N/A	N/A	85% (2,150 of 2,530 Projected Intrusion Attempts)	85% (2,678 of 3,160 Projected Intrusion Attempts)
Actual	N/A	N/A	86% (1,380 of 1,620 Intrusion Attempts)		
Met/Not Met					

Data Validation and Verification:

Data source: NOAA
Frequency: Annual
Data storage: NOAA files
Verification: Departmental and outside reviews
Data limitations: None
Actions to be taken: Review statistics for completeness and accuracy

Explanation of Measure

Intrusion detection software run to protect one of NOAA’s many campuses and facilities shows that continual probes from outside systems are looking for vulnerabilities that can be exploited to gain access to NOAA systems. Statistics NOAA has kept over the last few years show that the threat is explosively increasing every year. Successful compromises put Commerce at serious risk, affecting the confidentiality, availability, and integrity of information technology systems. Successful compromises must be minimized, that is, the percentage of unsuccessful attempts must be increased.

NOAA projects a slight decrease in the percentage of unsuccessful intrusion attempts in FY 2003 due to dramatic increases in incidents, but a marked increase in FY 2004 and forward as new technology and training, consistent with NOAA’s FY 2003 budget request, are put in place and take effect. NOAA will then have the resources to help detect incidents quickly and take necessary action, such as applying software patches, changing firewall settings, and alerting Commerce’s federation of computer incidence response teams so that similar incidents are blocked in other components of the Department.

This measure currently only applies to those NOAA systems with intrusion detection capability. Once additional intrusion detection capability is available department-wide, we will expand this measure to include the entire Department of Commerce.

FY 2000 Program Evaluation for Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

The Department of Commerce uses reviews and reports generated by the Office of Inspector General, Office of Management and Budget, General Accounting Office, other Congressional organizations, government-wide task force studies, and other objective sources to evaluate performance goal 3 activities. In addition, many of the laws cited in this section have separate reporting requirements. The Department uses the results to adjust its efforts as needed to achieve performance targets.

Cross-cutting Activities

Intra-Department of Commerce

Under the Departmental Management function, the Office of the Secretary regularly works with all bureaus across the full range of IT policy development and program management topics.

Other Government Agencies

Under the Departmental Management function, the Office of the Secretary regularly works with virtually all interagency organizations and numerous federal agencies across the full range of IT policy development and program management topics.

Government/Private Sector

Under the Departmental Management function, the Office of the Secretary regularly works with all segments of the private sector across the full range of IT policy development and program management topics.

External Factors and Mitigation Strategies

The rapidly changing IT environment, including changes in hardware, software, applications, Internet use, and the user community, all impact our IT function. The activities that are described above will assist the Department in responding to these challenges by deliberately planning how we will invest IT funds, ensuring that we have a cohesive and well constructed IT architecture, and safeguarding the integrity and availability of our IT systems.